

MERIWETHER COUNTY, GEORGIA

FINANCIAL STATEMENTS

Year Ended September 30, 2013

MERIWETHER COUNTY, GEORGIA
FINANCIAL STATEMENTS
Year Ended September 30, 2013

TABLE OF CONTENTS

INTRODUCTORY SECTION

Page

Title page	i
Table of contents	ii

FINANCIAL SECTION

Independent auditors' report	1
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	3
Statement of activities	4
Fund financial statements:	
Balance sheet - Governmental funds	5
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position	6
Statement of revenues, expenditures and changes in fund balances - Governmental funds	7
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	8
Statement of revenues, expenditures and changes in fund balance - Budget and actual - General fund	9
Statement of assets and liabilities - Fiduciary funds	11
Notes to financial statements	12
Supplemental information:	
Nonmajor governmental funds:	
Combining balance sheet - Nonmajor governmental funds	29
Combining statement of revenues, expenditures and changes in fund balances - Nonmajor governmental funds	30
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - Drug fund	31
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - Jail fund	32
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - Sheriff drug forfeiture	33
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - Law library	34
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - E-911	35
Schedule of revenues, expenditures and changes in fund balances - Budget and actual - Hotel/motel	36
Fiduciary funds:	
Combining statement of assets and liabilities	37
Combining statement of changes in assets and liabilities	38
Schedule of special purpose local option sales tax	39
Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	40
Schedule of audit findings and responses	42

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Meriwether County
Greenville, Georgia 30222

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of Meriwether County Department of Public Health which is a component unit and 2 percent, 30 percent, and 51 percent, respectively of the assets, net position and revenues of the component units.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Meriwether County Department of Public Health, which represent 2 percent, 30 percent, and 51 percent, respectively, of the assets, net position, and revenues of the component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Meriwether County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the respective budgetary comparison for the General Fund, of Meriwether County, Georgia, as of September 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 Part J to the financial statements, in 2013 the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Meriwether County, Georgia basic financial statements. The combining, individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual nonmajor fund financial statements and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining, individual nonmajor fund financial statements and other supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of Meriwether County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meriwether County, Georgia's internal control over financial reporting and compliance.

AJK

Manchester, Georgia
March 24, 2014

AJK

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2013

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
<u>Assets</u>				
Cash	\$ 2,670,986	\$ 317,821	\$ 213,448	\$ 2,249,227
Investments	900,049			4,414,325
Receivables (net where applicable of allowances for uncollectible):				
Taxes	711,926			
Accounts	154,437		787	7,359
Other	835,216			
Due from primary government			28,499	406,012
Inventory	72,901			
Prepaid expense	200,486			5,722
Capital assets (not being depreciated)	390,725		934,547	2,234,062
Capital assets, being depreciated net of accumulated depreciation	12,170,783	8,420	1,932,108	3,865,644
Bond issue cost, net of accumulated amortization	9,065		50,833	624,470
Total assets	18,116,574	326,241	3,160,222	13,806,821
<u>Liabilities</u>				
Bank overdraft	179,553			
Accounts payable	335,713		2,609	12,084
Accrued expenses	133,749		5,273	
Unearned revenue	32,778			
Due to component units	434,511			
Accrued interest on bonds	61,583			162,335
Short-term notes payable	2,500,000			
Long-term liabilities:				
Due within one year	2,132,855	18,572	5,002	480,000
Due in more than one year	5,115,338	42,779	1,730,000	13,950,000
Total liabilities	10,926,080	61,351	1,742,884	14,604,419
<u>Net Position</u>				
Net investment in capital assets	11,340,586	8,420	1,136,655	(1,870,294)
Restricted for capital projects	2,308,525			6,460,000
Unrestricted	(6,458,617)	256,470	280,683	(5,387,304)
Total net position	\$ 7,190,494	\$ 264,890	\$ 1,417,338	\$ (797,598)

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes Net Position	Component Units		
	Expenses	Charges for Services, Fees Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions		Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Primary government:								
Governmental activities:								
General government	\$	3,115,637	\$	470,656	\$	(2,644,981)		
Public safety		5,759,588		1,369,190		(4,233,323)		
Public works		1,384,268		2,470		(422,533)		
Planning and development		1,916,728		1,400,000		(421,343)		
Public welfare		465,853		81,590		(384,263)		
Culture and recreation		260,028		6,590		(253,438)		
Judicial		1,141,471		473,506		(647,736)		
Interest on long-term debt		226,999				(226,999)		
Total governmental activities and primary government	\$	14,270,572	\$	3,804,002	\$	(9,234,616)		
Component units:								
Department of Public Health	\$	732,965	\$	328,596	\$	28,392	\$	(509,800)
Industrial Development Authority		870,847		433,707			116,678	(509,800)
Meriwether Water and Sewerage Authority		1,006,005		58,189				
Total component units	\$	2,609,817	\$	820,492	\$	28,392	116,678	
General revenues:								
Taxes:								
Property								
Sales								
Insurance premiums								
Motor vehicle and mobile home								
Alcoholic beverage								
Other								
Loss on sale of capital assets							(775,013)	
Miscellaneous revenue								
Interest revenue						326	1,393	8,001
Total general revenues						326	(773,620)	8,001
Change in net position								
Net position at beginning of year						28,718	(656,942)	(501,799)
Net position at end of year						236,172	2,074,280	(295,799)
	\$	7,190,494	\$	264,890	\$	1,417,338	\$	(797,598)

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

	Major Governmental Fund Types			Nonmajor Governmental Fund Types	Total Governmental Funds
	General	SPLOST	Landfill SPLOST	Other Governmental Funds	
<u>Assets</u>					
Cash	\$ 335,932	\$ 2,052,933	\$ 1	\$ 282,120	\$ 2,670,986
Investments			900,049		900,049
Receivables (net where applicable of allowance for uncollectibles):					
Taxes	711,926				711,926
Accounts	154,437				154,437
Other	479,204	255,592		100,420	835,216
Due from other funds	6,540				6,540
Inventory, at cost	72,901				72,901
Prepaid expense	200,486				200,486
Total assets	<u>\$ 1,961,426</u>	<u>\$ 2,308,525</u>	<u>\$ 900,050</u>	<u>\$ 382,540</u>	<u>\$ 5,552,541</u>
<u>Liabilities</u>					
Bank overdraft	\$ 179,553				\$ 179,553
Accounts payable	334,713			\$ 1,000	335,713
Accrued expenses	133,749				133,749
Unearned revenue	32,778				32,778
Due to other funds				6,540	6,540
Due to component units	434,511				434,511
Short-term notes payable	2,500,000				2,500,000
Total liabilities	<u>3,615,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,540</u>	<u>3,622,844</u>
<u>Deferred inflows of resources</u>					
Unavailable revenue - property taxes	713,143				713,143
Total deferred inflows of resources	<u>713,143</u>				<u>713,143</u>
<u>Fund Balances</u>					
Nonspendable for:					
Inventory	72,901				72,901
Prepays	200,486				200,486
Restricted for:					
SPLOST		2,308,525			2,308,525
Landfill - SPLOST			900,050		900,050
Drug fund				55,523	55,523
Jail fund				22,578	22,578
Sheriff drug forfeiture				174,368	174,368
Law library				9,547	9,547
E-911				106,584	106,584
Hotel/motel				170	170
Capital projects				6,230	6,230
Unassigned	(2,640,408)				(2,640,408)
Total fund balances	<u>(2,367,021)</u>	<u>2,308,525</u>	<u>900,050</u>	<u>375,000</u>	<u>1,216,554</u>
Total liabilities and fund balances	<u>\$ 1,961,426</u>	<u>\$ 2,308,525</u>	<u>\$ 900,050</u>	<u>\$ 382,540</u>	<u>\$ 5,552,541</u>

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
September 30, 2013

Fund balances -Total governmental funds	\$ 1,216,554
---	--------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:

Add, capital assets	24,973,736
Deduct, accumulated depreciation	(12,412,228)

Governmental funds report the effect of issuance cost when debt is first issued, whereas these amounts are deferred and reported in the statement of net position.	9,065
--	-------

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at September 30, 2013 are:

Accrued interest payable	(61,583)
--------------------------	----------

General obligation bonds	\$	(1,685,000)
Capital leases		(1,344,722)
Compensated absences		(162,698)
Intergovernmental agreement		(1,865,000)
Landfill post-closure costs		(2,190,773)
		(2,190,773)

Total long-term liabilities	(7,248,193)
-----------------------------	-------------

In governmental funds, revenues must meet the availability test before they can be recognized. That is, they must be collected within 60 days after year end to be used to pay the period's current liabilities. However, no similar requirement applies in the government-wide statements. Therefore, unavailable revenue balances reported on the Balance Sheet of Governmental Activities must be reversed and recognized as current period revenue. In addition, the governmental fund revenue will also be adjusted at the government-wide level for the change during the year in the balance of unavailable revenues:

Unavailable property taxes arising from ability to collect after 60 days from year end	713,143
Net position of governmental activities	\$ 7,190,494

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended September 30, 2013

	Major Governmental Fund Types			Nonmajor Governmental Fund Types	Total Governmental Funds
	General	SPLOST	Landfill SPLOST	Other Governmental Funds	
Revenues:					
Taxes:					
Property	\$ 6,536,502				\$ 6,536,502
Sales	994,680	\$ 1,661,643			2,656,323
Insurance premium	647,249				647,249
Motor vehicle/mobile home	1,080,734				1,080,734
Alcoholic beverage	24,583				24,583
Other	165,077			\$ 2,210	167,287
Licenses and permits	83,230				83,230
Charges for services	1,259,382			346,941	1,606,323
Fines, forfeitures and court fees	473,506			150,943	624,449
Rents and royalties	90,000				90,000
Grants and subsidies	1,030,277			95,385	1,125,662
Investment earnings	542	5,097	\$ 3,196	136	8,971
Other revenue	219,570			19,071	238,641
Total revenues	<u>12,605,332</u>	<u>1,666,740</u>	<u>3,196</u>	<u>614,686</u>	<u>14,889,954</u>
Expenditures:					
Current:					
General government	2,877,911				2,877,911
Public safety	4,278,998			930,379	5,209,377
Public works	1,103,915				1,103,915
Planning and development	395,286			121,442	516,728
Public welfare	347,757				347,757
Culture and recreation	250,239				250,239
Judicial	1,121,118			6,176	1,127,294
Capital outlay	1,590,715			205,228	1,795,943
Debt service:					
Principal payments	386,975	1,620,000			2,006,975
Interest payments	146,625	105,604			252,229
Total expenditures	<u>12,499,539</u>	<u>1,725,604</u>	<u>-</u>	<u>1,263,225</u>	<u>15,488,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,793</u>	<u>(58,864)</u>	<u>3,196</u>	<u>(648,539)</u>	<u>(598,414)</u>
Other financing sources (uses):					
Capital lease	97,578				97,578
Transfers in				389,561	389,561
Transfers out	(389,561)				(389,561)
Total other financing sources (uses)	<u>(291,983)</u>	<u>-</u>	<u>-</u>	<u>389,561</u>	<u>97,578</u>
Net change in fund balances	(186,190)	(58,864)	3,196	(258,978)	(500,836)
Fund balances, beginning of year	<u>(2,180,831)</u>	<u>2,367,389</u>	<u>896,854</u>	<u>633,978</u>	<u>1,717,390</u>
Fund balances, end of year	<u>\$ (2,367,021)</u>	<u>\$ 2,308,525</u>	<u>\$ 900,050</u>	<u>\$ 375,000</u>	<u>\$ 1,216,554</u>

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2013

Net change in fund balances - Total governmental funds \$ (500,836)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1,795,943) exceeded depreciation (\$1,091,824) in the current period. 704,119

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. (70,709)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment consists of the following changes:

General obligation bonds	\$ 1,620,000	
Capital leases	143,244	
Intergovernmental agreement	130,000	
Bond issue cost	<u>(15,543)</u>	1,877,701

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment consists of the change of three balances:

Accrued interest on bonds	\$ 25,230	
Compensated absences	19,469	
Landfill post-closure costs	<u>16,153</u>	60,852

In governmental funds, revenues must meet the availability test before they can be recognized. That is, they must be collected within 60 days after year end to be used to pay the period's current liabilities. However, no similar requirement applies to the government-wide Statement of Activities. Therefore, unavailable revenue amounts are reversed on the Statement of Net Position and recognized as current period revenue on the Statement of Activities:

Net decrease in unavailable revenue from September 30, 2012 (\$742,423), as to September 30, 2013 (\$713,143).	<u>(29,280)</u>
Change in net position of governmental activities	<u><u>\$ 2,041,847</u></u>

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2013

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes:				
Property	\$ 6,692,076	\$ 6,692,046	\$ 6,536,502	\$ (155,544)
Sales	1,037,000	1,037,000	994,680	(42,320)
Insurance premium	610,000	610,000	647,249	37,249
Motor vehicle and motor home	887,244	887,244	1,080,734	193,490
Alcoholic beverage	26,000	26,000	24,583	(1,417)
Other	153,141	153,141	165,077	11,936
Licenses and permits	87,000	87,000	83,230	(3,770)
Charges for services	1,464,800	1,473,690	1,259,382	(214,308)
Fines, forfeitures and court fees	532,000	532,000	473,506	(58,494)
Rents and royalties	90,000	90,000	90,000	-
Grants and subsidies	535,870	1,158,462	1,030,277	(128,185)
Interest	1,200	1,200	542	(658)
Other revenue	97,000	146,725	219,570	72,845
Total revenues	12,213,331	12,894,508	12,605,332	(289,176)
<u>Expenditures</u>				
Current:				
General government:				
General government	935,353	1,357,765	1,330,160	27,605
County commissioners	267,887	239,571	233,051	6,520
Tax commissioners	284,496	297,240	297,237	3
Tax assessors	267,248	262,248	254,361	7,887
Voter registration/election	136,438	131,693	90,688	41,005
Building department	140,802	138,437	138,117	320
Buildings and grounds	300,157	243,730	243,729	1
Finance	156,666	189,200	189,184	16
Information technology	106,800	125,918	101,384	24,534
Total general government	2,595,847	2,985,802	2,877,911	107,891
Public safety:				
Public safety	1,103,673	1,084,730	1,084,722	8
EMS	225,901	241,900	241,847	53
Fire department	142,610	108,250	108,242	8
Sheriff's department	1,651,453	1,570,049	1,568,912	1,137
Jail	1,047,091	944,144	885,790	58,354
Coroner	40,596	33,220	31,352	1,868
Inmate care	398,000	398,000	342,108	55,892
EMA	34,297	33,553	16,025	17,528
Total public safety	4,643,621	4,413,846	4,278,998	134,848
Public works:				
Public works department	1,222,150	1,116,150	1,103,915	12,235
Total public works	1,222,150	1,116,150	1,103,915	12,235

(Continued...)

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2013
(Continued)

<u>Expenditures</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
Planning and development:				
Welcome center	7,800	7,800	7,800	-
County agents	12,091	45,500	45,500	-
Industrial Development Authority	341,986	341,986	341,986	-
Total planning and development	361,877	395,286	395,286	-
Public welfare:				
Animal control	200,144	157,117	145,885	11,232
Health and welfare	167,500	167,500	167,500	-
Senior citizens program	10,000	10,000	10,000	-
Forestry	24,267	24,400	24,372	28
Total public welfare	401,911	359,017	347,757	11,260
Culture and recreation:				
Recreation	159,155	170,250	170,239	11
Library	80,000	80,000	80,000	-
Total culture and recreation	239,155	250,250	250,239	11
Judicial:				
Probate Court	152,927	148,539	141,906	6,633
Clerk of Court	386,800	369,400	359,456	9,944
Juvenile Court	72,710	76,380	76,376	4
Magistrate Court	119,584	116,639	116,022	617
District Attorney	178,720	175,804	175,804	-
Court services	120,740	110,480	100,334	10,146
Public defender	152,314	151,220	151,220	-
Total judicial	1,183,795	1,148,462	1,121,118	27,344
Capital outlay	367,724	1,629,920	1,590,715	39,205
Debt Service:				
Debt service - Principal	337,281	386,975	386,975	-
Debt service - Interest	26,500	146,625	146,625	-
Total debt service	363,781	533,600	533,600	-
 Total expenditures	 11,379,861	 12,832,333	 12,499,539	 332,794
 Excess (deficiency) of revenues over (under) expenditures	 833,470	 62,175	 105,793	 43,618
Other financing sources (uses):				
Capital lease		97,578	97,578	-
Transfers in		229,808		(229,808)
Transfers out	(833,470)	(389,561)	(389,561)	-
Total other financing sources (uses)	(833,470)	(62,175)	(291,983)	(229,808)
 Net change in fund balances	 -	 -	 (186,190)	 (186,190)
Fund balance at beginning of year	(2,180,831)	(2,180,831)	(2,180,831)	-
Fund balance at end of year	<u>\$ (2,180,831)</u>	<u>\$ (2,180,831)</u>	<u>\$ (2,367,021)</u>	<u>\$ (186,190)</u>

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2013

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	\$ 409,575
Taxes receivable	<u>34,221</u>
Total assets	<u>\$ 443,796</u>
<u>Liabilities</u>	
Due to others	<u>\$ 443,796</u>
Total liabilities	<u>\$ 443,796</u>

The accompanying notes are an integral part of these financial statements.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meriwether County, Georgia (the County) complies with *Generally Accepted Accounting Principles* (GAAP). The County's reporting entity applies all relevant *Governmental Accounting Standards Board* (GASB) pronouncements.

Meriwether County, Georgia operates under a Board of Commissioners and provides the following services:

- Public Safety
- Roads
- Public improvements
- Planning and Zoning
- Courts
- Tax Assessment and Collection
- Health and Social Services
- Culture-Recreation
- General Administrative Services

The following is a summary of the County's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The accompanying financial statements present the County's primary government and component units over which the County exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships).

- **Discretely Presented Component Units** - Meriwether County Department of Public Health and Meriwether County Industrial Development Authority issue separately audited financial statements. Copies of these financial statements may be obtained from the County Commissioners' office. The Meriwether County Water and Sewerage Authority does not issue separate financial statements.

Component units reported in the County's financial statements are listed below:

<u>Discretely Presented Component Units</u>	<u>Brief Description of Activities and Relationship to the County</u>
Meriwether County Department of Public Health	The Department of Public Health provides medical services and health education to the citizens of Meriwether County. The County Board of Commissioners has the authority to modify and approve the Department of Public Health budget. It is reported as a governmental fund with a June 30 year end.
Meriwether County Industrial Development Authority	The Industrial Development Authority seeks new industry and promotes existing industry in Meriwether County. The Authority is fiscally dependent upon the County. It is reported as a governmental fund with a September 30 year end.
Meriwether County Water and Sewerage Authority	The Water and Sewerage Authority was formed to provide water and sewerage services to the citizens of Meriwether County. It is currently in the process of constructing infrastructure. The Authority is fiscally dependent upon the County. It is reported as an enterprise fund with a September 30 year end.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

Based on the GASB criteria, the following related organizations are not under the oversight responsibilities of the Board of Commissioners and their operations are not included in the financial statements.

Meriwether County Board of Education
Meriwether County Department of Family and Children Services
Meriwether County Public Library
Meriwether County Senior Center

Disbursements to these units based on contractual agreements have been budgeted and expended as a part of the regular operations of the County.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

SPLOST Fund - The SPLOST Fund is a capital projects fund established to account for major capital expenditures financed by special purpose local option sales tax receipts.

Landfill SPLOST - The Landfill SPLOST Fund is used to account for expenditures and revenues of the SPLOST received for the landfill.

The County also reports the following fiduciary fund type:

Agency Funds - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Current Agency Funds held by the County are as follows:

Tax Commissioner
Sheriff
Magistrate Court
Probate Court
Superior Court Clerk

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as *program revenues*. Likewise, general revenues include all taxes.

The County's net position are reported in three parts - 1) net investment in capital assets 2) restricted net position; and 3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The County prepares and adopts its general fund budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving, and encouraging the principle of home rule over local matters. The procedures are as follows:

1. The Budget officer submits, to the Board of Commissioners, a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the Board of Commissioners on a departmental basis.
4. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by approval of the Board of Commissioners.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

The Special Purpose Local Option Sales Tax Multipurpose Fund (SPLOST) and the Landfill SPLOST Fund are capital project funds and have not included Budget and Actual Statements since their budgets are on a project-length basis instead of an annual basis.

Encumbrance accounting is not used by Meriwether County, Georgia.

E. Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County, and non negotiable certificates of deposits regardless of date of maturity.

Statutes authorize the County to invest in obligations of the United States and of its agencies and certificates of deposit of banks insured by the FDIC provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC is adequately collateralized. Investments are stated at fair value based upon quoted market prices.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances for uncollectibles on receivable balances represent estimates based on historical collection rates and account balance aging reports.

The County's property tax is levied on approximately October 15 on the assessed values for all real and personal property, including mobile homes and motor vehicles located in the County. The billings are considered due December 20. At December 21, the bill becomes delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County.

All property taxes levied for the current and any previous years, but not received as of September 30, 2013, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, have been deferred.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market and consists of expendable supplies. The County uses the "consumption" method to record inventory.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

The County is classified as a phase 3 government due to its revenue and classification by GASB 34. The County has opted not to retroactively report infrastructure, but will report all infrastructure additions and related improvements after October 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	20-40
Public domain infrastructure	40
System infrastructure	40
Vehicles	3-5
Equipment	5 -15

J. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the County has no items that qualify for reporting as a deferred outflow of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Compensated Absences

Employees can accrue a maximum of 240 hours of vacation pay, depending upon the length of service, which can be taken either through time off or by payment upon termination. Sick leave benefits do not vest; therefore, unused sick leave is not recorded in the financial statements.

The County accrues a liability for compensated absences which meet the following criteria:

1. The County's obligation relating to employees' rights to receive compensation.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonable estimated.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column of the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

Beginning with the year ended September 30, 2011 the County implemented GASB *Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** – Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service or for other purposes). It is the County's policy to use restricted fund balance first, followed by committed, assigned, and then unassigned amounts, respectively.

N. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

P. Subsequent Events

Subsequent events have been evaluated by management through March 24, 2014, which is the date the financial statements were available to be issued.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the carrying amount of the County's deposits (checking, savings and certificates of deposit) was \$2,901,008 and the bank balance was \$3,513,267. Of the bank balance, \$1,361,187 was covered by FDIC insurance and \$2,152,080 was covered by collateral held in the pledging bank's trust department or by its agent in the County's name. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits in the excess of FDIC insurance may not be returned to it. The County does not have a deposit policy for custodial credit risk.

As of September 30, 2013, the County had the following investments. All investments are in an external investment pool - Pooled Investments, regulated by the Office of the State Treasurer. The fair value of the position in the pool reported below is the same as the value of the pool shares at September 30, 2013.

<u>Investments</u>	<u>Fair Value</u>
Georgia Extended Asset Pool (GEAP)	<u>\$ 900,049</u>

Interest Rate Risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Duration is the method used for reporting purposes for GEAP. At June 30, 2013, the plan had .26 effective duration.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2013, the County's investment in the state investment pool was rated AA+f by *Standard & Poor's*.

Discretely Presented Component Units

Custodial credit risk is the risk that in the event of a bank failure, the component unit's deposits may not be returned to it. None of the component units have a deposit policy for custodial credit risk. The exposure to custodial credit risk for each component unit is listed below.

Meriwether County Department of Public Health - The Department's deposits at June 30, 2013 were entirely covered by federal depository insurance or collateral held by the Health Department's custodial bank in the Health Department's name.

Meriwether County Industrial Development Authority - The Authority has \$213,448 as the carrying amount and the bank balance was \$363,708 as of September 30, 2013. The entire bank balance was either FDIC insured or collateralized by securities held by the financial institutions.

Meriwether County Water and Sewerage Authority - The Authority has \$2,249,227 as the carrying amount and the bank balance was \$2,343,738 as of September 30, 2013. Of the bank balance, \$500,000 was covered by FDIC insurance and \$1,843,738 was unsecured or uncollateralized.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

3. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 390,725			\$ 390,725
Construction in progress	324,593	\$ 1,182,242	\$ (1,506,835)	-
Total capital assets not being depreciated	715,318	1,182,242	(1,506,835)	390,725
Capital assets, being depreciated:				
Buildings and improvements	10,891,992	8,400		10,900,392
Machinery and equipment	10,525,932	703,300	(1,421,349)	9,807,883
Infrastructure	2,367,901	1,506,835		3,874,736
Total capital assets being depreciated	23,785,825	2,218,535	(1,421,349)	24,583,011
Less, accumulated depreciation for:				
Buildings and improvements	(5,642,706)	(286,732)		(5,929,438)
Machinery and equipment	(6,658,347)	(745,894)	1,252,641	(6,151,600)
Infrastructure	(271,992)	(59,198)		(331,190)
Total accumulated depreciation	(12,573,045)	(1,091,824)	1,252,641	(12,412,228)
Total capital assets, being depreciated, net	11,212,780	1,126,711	(168,708)	12,170,783
Governmental activities capital assets, net	\$ 11,928,098	\$ 2,308,953	\$ (1,675,543)	\$ 12,561,508

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 241,150
Public safety	523,259
Public works	186,308
Public welfare	117,141
Culture and recreation	9,789
Judicial	14,177
Total depreciation expense - Governmental activities	\$ 1,091,824

Discretely Presented Component Units

The Meriwether County Department of Public Health's capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 111,337	\$ 6,971		\$ 118,308
Less accumulated depreciation:				
Machinery and equipment	(109,043)	(845)		(109,888)
Governmental activities capital assets, net	\$ 2,294	\$ 6,126	\$ -	\$ 8,420

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:
Health

\$ 845

The Meriwether County Industrial Development Authority's capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 583,642	\$ 350,905		\$ 934,547
Total capital assets not being depreciated	583,642	350,905	\$ -	934,547
Capital assets, being depreciated:				
Buildings	2,607,328		(2,607,328)	
Manufacturing equipment	1,469,326		(1,469,326)	
Furniture and equipment	36,785	13,891		50,676
Infrastructure	2,043,829			2,043,829
Total capital assets being depreciated	6,157,268	13,891	(4,076,654)	2,094,505
Less, accumulated depreciation for:				
Buildings	(130,366)	(50,698)	181,064	
Manufacturing equipment	(220,399)	(85,711)	306,110	
Furniture and equipment	(32,520)	(2,137)		(34,657)
Infrastructure	(76,644)	(51,096)		(127,740)
Total accumulated depreciation	(459,929)	(189,642)	487,174	(162,397)
Total capital assets being depreciated, net	5,697,339	(175,751)	(3,589,480)	1,932,108
Governmental activity capital assets, net	<u>\$ 6,280,981</u>	<u>\$ 175,154</u>	<u>\$ (3,589,480)</u>	<u>\$ 2,866,655</u>

Depreciation expense was charged to functions as follows:

General and administrative
Business promotion

\$ 2,137
187,505
\$ 189,642

The Meriwether County Water and Sewerage Authority's capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,575,494	\$ 658,568		\$ 2,234,062
Total capital assets not being depreciated	1,575,494	658,568		2,234,062
Capital assets being depreciated:				
Water system	2,492,432		\$ (9,349)	2,483,083
Sewer system	1,668,576			1,668,576
Furniture and equipment	41,174	9,349		50,523
Total capital assets being depreciated	4,202,182	9,349	(9,349)	4,202,182

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

Less, accumulated depreciation for:

Water system	(170,712)	(62,077)		(232,789)
Sewer system	(41,714)	(41,714)		(83,428)
Furniture and equipment	(13,963)	(6,358)		(20,321)
Total accumulated depreciation	<u>(226,389)</u>	<u>(110,149)</u>		<u>(336,538)</u>
Total capital assets being depreciated, net	<u>3,975,793</u>	<u>(100,800)</u>	<u>(9,349)</u>	<u>3,865,644</u>
Business-type activities capital assets, net	<u>\$ 5,551,287</u>	<u>\$ 557,768</u>	<u>\$ (9,349)</u>	<u>\$ 6,099,706</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water system	\$ 68,435
Sewer system	41,714
	<u>\$ 110,149</u>

4. SHORT-TERM DEBT

Primary Government

At September 30, 2013, the County had tax anticipation notes (TAN) totaling \$2,500,000. These notes are used for meeting general operating expenses of the County and are expected to be repaid through property tax collections to be received after year end by the general fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Tax anticipation notes	<u>\$ 2,520,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,520,000</u>	<u>\$ 2,500,000</u>

5. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities of Meriwether County, Georgia. The original amount of general obligation bonds issued in prior years was \$9,000,000. See Note #14 for an explanation of the intergovernmental agreement that is security for these bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities - Capital outlay projects	3.14 - 3.25%	<u>\$ 1,685,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending September 30: 2014	<u>\$ 1,685,000</u>	<u>\$ 52,909</u>

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

B. Revenue Bonds

Discretely Presented Component Units

The Meriwether County Industrial Development Authority has revenue bonds issued to provide funds for road and gas system improvements at the North Meriwether Industrial Park. Repayment of debt will be funded through an intergovernmental agreement with Meriwether County.

The original amount of revenue bonds was \$2,375,000. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Industrial Park improvements	4.24%	\$ <u>1,730,000</u>

Revenue bond debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending September 30:		
2014	\$ 0	\$ 0
2015	140,000	70,384
2016	150,000	64,236
2017	155,000	57,770
2018	160,000	51,092
2019-2023	920,000	144,160
2024	<u>205,000</u>	<u>4,346</u>
	\$ <u>1,730,000</u>	\$ <u>391,988</u>

The Meriwether Water & Sewerage Authority issues revenue bonds to provide funds for the purpose of acquiring a water and sewer system.

The original amount of revenue bonds issued in prior years was \$15,345,000. Revenue bonds outstanding at year end is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Water & Sewer system acquisition	3-5%	\$ <u>14,430,000</u>

Revenue bond debt service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending September 30:		
2014	\$ 480,000	\$ 649,338
2015	495,000	632,538
2016	510,000	616,698
2017	530,000	596,298
2018	550,000	576,688
2019-2023	3,115,000	2,520,948
2024-2028	3,865,000	1,769,480
2029-2033	<u>4,885,000</u>	<u>700,826</u>
	\$ <u>14,430,000</u>	\$ <u>8,062,814</u>

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

C. Capital Leases

Primary Government

The County has entered into various lease agreements as lessee for financing the acquisition of various vehicles and equipment for the governmental activities. These leases are being paid by the general fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Type Activities</u>
Asset:	
Machinery and equipment	\$ 1,490,085
Less, accumulated depreciation	(162,028)
Total	<u>\$ 1,328,057</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

	<u>Governmental Type Activities</u>
Year ending September 30:	
2014	\$ 173,210
2015	174,519
2016	175,841
2017	177,170
2018	162,826
2019-2023	803,517
2024	13,633
Total minimum lease payments	<u>1,680,716</u>
Less, amount representing interest	(335,994)
Present value of minimum lease payments	<u>\$ 1,344,722</u>

D. Compensated Absences

Primary Government and Component Units

The County and its component units accrue compensated absences for their employees. The governmental activities of the County, Meriwether County Industrial Development Authority, and the Department of Public Health have compensated absences at September 30, 2013 and June 30, 2013, respectively. The Meriwether County Water and Sewerage Authority did not have any compensated absences at September 30, 2013. Accrued compensated absences from the governmental activities of the County are repaid through the general fund. Compensated absences for the Meriwether County Industrial Development Authority are repaid through the component unit's general fund. The Department of Public Health compensated absences are repaid through the component unit's general fund.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

E. Intergovernmental Agreements

Primary Government

Meriwether County entered into an intergovernmental contract dated November 12, 2008 with the Meriwether County Industrial Development Authority obligating the County to service the principal and interest on the Authority's Series 2008 Revenue Bonds. The bond proceeds were used for road improvements and install gas lines at North Meriwether Industrial Park. The County will fund these bonds through the assignment of one mill of property tax.

Annual debt service requirements to maturity for the intergovernmental agreement are as follows:

Year ending September 30:	Governmental Activities	
	Principal	Interest
2014	\$ 135,000	\$ 76,214
2015	140,000	70,384
2016	150,000	64,236
2017	155,000	57,770
2018	160,000	51,092
2019-2023	920,000	144,160
2024	205,000	4,346
	<u>\$ 1,865,000</u>	<u>\$ 468,202</u>

F. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 3,305,000		\$1,620,000	\$ 1,685,000	\$1,685,000
Capital leases	1,487,966	\$ 97,578	240,822	1,344,722	112,837
Compensated absences	182,167	92,524	111,993	162,698	97,620
Intergovernmental agreements	1,995,000		130,000	1,865,000	135,000
Landfill postclosure costs	2,206,926		16,153	2,190,773	102,398
Governmental type activity, long-term liabilities	<u>\$ 9,177,059</u>	<u>\$190,102</u>	<u>\$2,118,968</u>	<u>\$ 7,248,193</u>	<u>\$2,132,855</u>

The County's portion of the \$9,000,000 of general obligation bonds to use for capital projects is 52%. At September 30, 2013, the County had \$1,000,000 in cash not used for capital projects.

Discretely Presented Component Units

The following is a summary of changes in long-term debt for the Meriwether County Department of Public Health for the year ended June 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	<u>\$ 57,826</u>	<u>\$ 22,097</u>	<u>\$ 18,572</u>	<u>\$ 61,351</u>	<u>\$ 18,572</u>

The following is a summary of changes in long-term debt for the Meriwether County Industrial Development Authority for the year ended September 30, 2013:

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 1,995,000		\$ 265,000	\$ 1,730,000	
Notes payable	3,030,835		3,030,835	0	
Capital lease payable	183		183	0	
Compensated absences	<u>3,846</u>	<u>\$ 1,156</u>		<u>5,002</u>	<u>\$ 5,002</u>
	<u>\$ 5,029,864</u>	<u>\$ 1,156</u>	<u>\$ 3,296,018</u>	<u>\$ 1,735,002</u>	<u>\$ 5,002</u>

The following is a summary of changes in long-term debt for the Meriwether Water and Sewerage Authority for the year ended September 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	<u>\$14,895,000</u>	<u>\$ 0</u>	<u>\$ 465,000</u>	<u>\$14,430,000</u>	<u>\$ 480,000</u>

The Authority had \$6,460,000 in cash and investments at September 30, 2013 not used for capital projects.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the year ended September 30, 2013 consisted of the following:

Due to/from other funds:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 6,540</u>

Outstanding balances between funds reported as "due to/from other funds" include an amount the General Fund loaned to a nonmajor governmental fund to supplement operations. All due to/from balances are expected to be repaid within one year.

Interfund transfers for the year ended September 30, 2013, consisted of the following:

<u>Transfer Out</u>	<u>Transfer In Nonmajor Governmental Funds</u>
General Fund	<u>\$ 389,561</u>

Interfund transfers are made for the purpose of supplementing operations and reimbursement for expenditures by one fund on behalf of another.

7. PENSION PLAN AND OTHER RETIREMENT BENEFITS

A. Pension Plan

Beginning May 1, 2011, County employees are covered by the *Meriwether County Employee's Retirement Plan*, a defined contribution and profit-sharing plan for full-time County employees who have attained age 18 and have completed 90 days of service, and worked at least 1,000 hours a year. Under the plan, the County contributes nonelective contributions as follows: a) for County Administrator, County Clerk, Finance/Purchasing Director and Department Heads, 7.5% of employee compensation; b) for Commissioners, the lesser of 100% of employee compensation or that percentage of compensation which,

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

when added to your deferrals under the 457(b) plan, satisfies Internal Revenue Code section 415; or c) for all other positions, 5% of employee compensation. For year ending September 30, 2013, the County contributed 1% of employee's gross pay to the 401a fund for all eligible employees. For Elected Officials and Department Heads, the vested interest in these nonelective contributions in the employee account is 100%. For all other employees, the vested interest is 0% until the employee has completed three years of service, at which time the account becomes 100% vested. In addition to the nonelective contributions made by the County, the employee can elect to contribute from 0% to 100% of their compensation to the plan as an after-tax contribution. *Mass Mutual Retirement Services* has been selected to administer the plan and act as trustee. Plan provisions are established or amended by a resolution of the County Commission and the County Commission, by means of a resolution, can establish or amend the contribution requirements.

The County's contribution to these plans for the year ended September 30, 2013, was approximately \$47,115 and employees' contributed approximately \$16,583. Total payroll for the year ended September 30, 2013, was approximately \$5,324,978.

B. Deferred Compensation

Meriwether County employees may elect to participate in a deferred compensation plan through the *Mass Mutual Retirement Services*. Participating employees may elect to defer up to \$17,500 of their includible compensation as provided in IRC Section 457. Meriwether County is not required to contribute to the plan and has made no contributions for the current year or prior years. Employees have contributed approximately \$17,279 during fiscal year ending September 30, 2013.

C. Other Retirement Benefits

In addition to the pension plan, the following other retirement benefits are in effect but are not under the direct control of the County:

- a) Probate Judge Retirement Fund of Georgia - The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- b) Clerk of Superior Court Retirement Fund - The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- c) Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund - The Sheriff and Sheriff Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior court to the pension plans before the payment of any costs or other claims.

8. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,190,773 reported in the governmental activities noncurrent debt on the government-wide financials as landfill closure and postclosure care liability at September 30, 2013, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. This estimate was revised based on an engineering study done in April 2009.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

There is no unrecognized estimated closure and postclosure care cost at September 30, 2013. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County has met certain financial tests which it feels meet the financial assurance requirements for closure and postclosure care.

9. LITIGATION

Any lawsuits pending at September 30, 2013 are covered by insurance and should not materially affect the financial statements of Meriwether County, Georgia.

10. COMMITMENTS AND CONTINGENCIES

The activities of the General Fund include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies audits cannot be determined at this time, although the County believes it is in compliance with all related program requirements.

Meriwether County Board of Commissioners agreed to guarantee a line of credit at a local bank in the amount of \$1,600,000 for the Hospital Authority of Meriwether County. Effective January 2014 the County was released from this obligation.

During the fiscal year ending September 30, 2012, the County entered into a Purchase and Sale Agreement with Greenland, LLC to purchase three tracts of land in the North Meriwether Industrial Park. In exchange for the tracts of land, the County assigned the host fees, which were due from Greenland, LLC for years 2013, 2014, 2018, and 2019 at \$700,000 each year. The tracts of land were given to a joint development authority overseeing the building project at the Industrial Park.

During the fiscal year ending September 30, 2013, the County entered into a Purchase and Sale Agreement with Greenland, LLC to purchase approximately forty-three acres of land at the North Meriwether Industrial Park. In exchange for the land, the County assigned the host fees which were due from Greenland, LLC for years 2015 and 2016 at \$700,000 each year. At closing, the land was transferred to the Meriwether County Industrial Development Authority.

11. FUND BALANCES

The General Fund of the primary government had a deficit balance of \$2,367,021 at September 30, 2013. The County plans to liquidate the deficit balance by containing operating costs.

12. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in the *Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund*, a public entity risk pool operated by the Association County Commissioners of Georgia (ACCG) as a risk management and insurance program. The County pays an annual premium to ACCG for its general insurance coverage. The above entity risk pool is self-sustaining through member premiums.

As part of the risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

MERIWETHER COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
September 30, 2013
(Continued)

The funds are to defend and protect the members of the pool against liability or loss as prescribed in the member government contract. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County carries commercial insurance for other risks of loss such as employee health insurance and workers compensation.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the County. Settled claims in the past three years have not exceeded the coverages.

13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the Central Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2013 the County paid \$12,846 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
13273 Highway 34 East
P.O. Box 1600
Franklin, GA 30217

14. INTERGOVERNMENTAL AGREEMENTS

On July 11, 2007, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2007 for \$7,800,000 in December 2007 and Series 2008 for \$1,200,000 in January 2008 (the "Bonds"). During the fiscal year ended September 30, 2009, the Series 2008 for \$1,200,000 was paid off. The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the county as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The County's share is 52%.

15. SUBSEQUENT EVENTS

On March 6, 2014, Meriwether County (the "County") issued \$9,000,000 in General Obligation Sales Tax Bonds, Series 2014 (the "Bonds"). The County will receive 65% of net bond proceeds and the cities in the County will receive their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities.

MERIWETHER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2013

	Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/Motel	Capital Projects	
<u>Assets</u>								
Cash	\$ 56,523	\$ 22,578	\$ 174,368	\$ 9,547	\$ 6,164	\$ 170	\$ 12,770	\$ 282,120
Receivables (net where applicable of allowance for uncollectibles): E-911					100,420			100,420
Total assets	\$ 56,523	\$ 22,578	\$ 174,368	\$ 9,547	\$ 106,584	\$ 170	\$ 12,770	\$ 382,540
<u>Liabilities</u>								
Accounts payable	\$ 1,000						\$ 6,540	\$ 1,000
Due to general fund								6,540
Total liabilities	1,000	-	\$ -	\$ -	\$ -	\$ -	6,540	7,540
<u>Fund Balances</u>								
Fund balances restricted for:								
Drug fund	55,523							55,523
Jail fund		22,578						22,578
Sheriff drug forfeiture			174,368					174,368
Law library				9,547				9,547
E-911					106,584			106,584
Hotel/motel						170		170
Capital projects							6,230	6,230
Total fund balances	55,523	22,578	174,368	9,547	106,584	170	6,230	375,000
Total liabilities and fund balances	\$ 56,523	\$ 22,578	\$ 174,368	\$ 9,547	\$ 106,584	\$ 170	\$ 12,770	\$ 382,540

MERIWETHER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2013

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/ Motel	Capital Projects
Revenues:							
Taxes:							
Hotel/motel					\$ 346,941	\$ 2,210	\$ 2,210
Charges for services	\$ 15,964	\$ 19,949	\$ 111,740	\$ 3,290			346,941
Fines, forfeitures, court fees							150,943
Grants and subsidies							\$ 95,385
Miscellaneous		8,000	11,071				95,385
Investment earnings			136				19,071
Total revenues	<u>15,964</u>	<u>27,949</u>	<u>122,947</u>	<u>3,290</u>	<u>346,941</u>	<u>2,210</u>	<u>614,686</u>
Expenditures:							
Current:							
Public safety	16,180	10,827	199,374		703,998		930,379
Planning and development						2,210	121,442
Judicial				6,176			6,176
Capital outlay			205,228				205,228
Total expenditures	<u>16,180</u>	<u>10,827</u>	<u>404,602</u>	<u>6,176</u>	<u>703,998</u>	<u>2,210</u>	<u>1,263,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(216)</u>	<u>17,122</u>	<u>(281,655)</u>	<u>(2,886)</u>	<u>(357,057)</u>	<u>-</u>	<u>(648,539)</u>
Other financing sources (uses):							
Transfers in					389,561		389,561
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>389,561</u>	<u>-</u>	<u>389,561</u>
Net change in fund balances	<u>(216)</u>	<u>17,122</u>	<u>(281,655)</u>	<u>(2,886)</u>	<u>32,504</u>	<u>-</u>	<u>(258,978)</u>
Fund balances, beginning of year	<u>55,739</u>	<u>5,456</u>	<u>456,023</u>	<u>12,433</u>	<u>74,080</u>	<u>170</u>	<u>633,978</u>
Fund balances, end of year	<u>\$ 55,523</u>	<u>\$ 22,578</u>	<u>\$ 174,368</u>	<u>\$ 9,547</u>	<u>\$ 106,584</u>	<u>\$ 170</u>	<u>\$ 375,000</u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG FUND
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, court fees	\$ 15,964	\$ 15,964	
Total revenues	<u>15,964</u>	<u>15,964</u>	<u>\$ -</u>
Expenditures:			
Current:			
Sheriff	16,180	16,180	
Total expenditures	<u>16,180</u>	<u>16,180</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(216)</u>	<u>(216)</u>	<u>-</u>
Net change in fund balances	(216)	(216)	-
Fund balance at beginning of year	<u>55,739</u>	<u>55,739</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 55,523</u></u>	<u><u>\$ 55,523</u></u>	<u><u>\$ -</u></u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
JAIL FUND
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, court fees	\$ 19,949	\$ 19,949	
Miscellaneous	8,000	8,000	
Total revenues	<u>27,949</u>	<u>27,949</u>	<u>\$ -</u>
Expenditures:			
Current:			
Jail	10,827	10,827	
Total expenditures	<u>10,827</u>	<u>10,827</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,122</u>	<u>17,122</u>	<u>-</u>
Net change in fund balances	17,122	17,122	-
Fund balance at beginning of year	<u>5,456</u>	<u>5,456</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 22,578</u></u>	<u><u>\$ 22,578</u></u>	<u><u>\$ -</u></u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHERIFF DRUG FORFEITURE
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, court fees	\$ 111,740	\$ 111,740	
Miscellaneous	11,071	11,071	
Investment earnings	136	136	
Total revenues	<u>122,947</u>	<u>122,947</u>	<u>\$ -</u>
Expenditures:			
Current:			
Sheriff	199,374	199,374	
Capital outlay	205,228	205,228	
Total expenditures	<u>404,602</u>	<u>404,602</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(281,655)</u>	<u>(281,655)</u>	<u>-</u>
Net change in fund balances	(281,655)	(281,655)	-
Fund balance at beginning of year	<u>456,023</u>	<u>456,023</u>	<u>-</u>
Fund balance at end of year	<u>\$ 174,368</u>	<u>\$ 174,368</u>	<u>\$ -</u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAW LIBRARY
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fees, fines, forfeitures and court fees	\$ 3,290	\$ 3,290	
Total revenues	<u>3,290</u>	<u>3,290</u>	<u>\$ -</u>
Expenditures:			
Current:			
Judicial:			
Court services	6,176	6,176	
Total expenditures	<u>6,176</u>	<u>6,176</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,886)</u>	<u>(2,886)</u>	<u>-</u>
Net change in fund balances	(2,886)	(2,886)	-
Fund balance at beginning of year	<u>12,433</u>	<u>12,433</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,547</u>	<u>\$ 9,547</u>	<u>\$ -</u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

E-911
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 346,941	\$ 346,941	
Total revenues	<u>346,941</u>	<u>346,941</u>	<u>\$ -</u>
Expenditures:			
Current:			
Public safety:			
E-911	703,998	703,998	-
Total expenditures	<u>703,998</u>	<u>703,998</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(357,057)</u>	<u>(357,057)</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	389,561	389,561	-
Total other financing sources (uses)	<u>389,561</u>	<u>389,561</u>	<u>-</u>
Net change in fund balance	32,504	32,504	-
Fund balance at the beginning of year	<u>74,080</u>	<u>74,080</u>	<u>-</u>
Fund balance at end of year	<u>\$ 106,584</u>	<u>\$ 106,584</u>	<u>\$ -</u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL
Year Ended September 30, 2013

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel/motel	\$ 2,210	\$ 2,210	\$ -
Total revenues			
Expenditures:			
Current:			
Tourism and promotions	2,210	2,210	-
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance at beginning of year	170	170	-
Fund balance at end of year	\$ 170	\$ 170	\$ -

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
September 30, 2013

	Agency Fund					
	<u>Tax Commissioner</u>	<u>Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total</u>
<u>Assets</u>						
Cash	\$ 338,780	\$ 16,876		\$ 7,135	\$ 46,784	\$ 409,575
Taxes receivable	34,221					34,221
Total assets	<u>\$ 373,001</u>	<u>\$ 16,876</u>	<u>\$ -</u>	<u>\$ 7,135</u>	<u>\$ 46,784</u>	<u>\$ 443,796</u>
<u>Liabilities</u>						
Due to others	\$ 373,001	\$ 16,876		\$ 7,135	\$ 46,784	\$ 443,796
Total liabilities	<u>\$ 373,001</u>	<u>\$ 16,876</u>	<u>\$ -</u>	<u>\$ 7,135</u>	<u>\$ 46,784</u>	<u>\$ 443,796</u>

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Tax Commissioner:				
<u>Assets</u>				
Cash	\$ 451,311	\$ 11,492,821	\$ 11,605,352	\$ 338,780
Taxes receivable	52,973	34,221	52,973	34,221
	<u>\$ 504,284</u>	<u>\$ 11,527,042</u>	<u>\$ 11,658,325</u>	<u>\$ 373,001</u>
<u>Liabilities</u>				
Due to others	<u>\$ 504,284</u>	<u>\$ 11,527,042</u>	<u>\$ 11,658,325</u>	<u>\$ 373,001</u>
Clerk Superior Court:				
<u>Assets</u>				
Cash	<u>\$ 22,311</u>	<u>\$ 333,799</u>	<u>\$ 339,234</u>	<u>\$ 16,876</u>
<u>Liabilities</u>				
Due to others	<u>\$ 22,311</u>	<u>\$ 333,799</u>	<u>\$ 339,234</u>	<u>\$ 16,876</u>
Probate Court:				
<u>Assets</u>				
Cash	<u>\$ -</u>	<u>\$ 70,102</u>	<u>\$ 70,102</u>	<u>\$ -</u>
<u>Liabilities</u>				
Due to others	<u>\$ -</u>	<u>\$ 70,102</u>	<u>\$ 70,102</u>	<u>\$ -</u>
Magistrate Court:				
<u>Assets</u>				
Cash	<u>\$ 5,757</u>	<u>\$ 154,948</u>	<u>\$ 153,570</u>	<u>\$ 7,135</u>
<u>Liabilities</u>				
Due to others	<u>\$ 5,757</u>	<u>\$ 154,948</u>	<u>\$ 153,570</u>	<u>\$ 7,135</u>
Sheriff:				
<u>Assets</u>				
Cash	<u>\$ 35,002</u>	<u>\$ 107,523</u>	<u>\$ 95,741</u>	<u>\$ 46,784</u>
<u>Liabilities</u>				
Due to others	<u>\$ 35,002</u>	<u>\$ 107,523</u>	<u>\$ 95,741</u>	<u>\$ 46,784</u>

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
September 30, 2013

<u>Project</u>	<u>Estimated Percentage of Completion</u>	<u>Estimated Project Amount</u>	<u>Amount Expended Prior Years</u>	<u>Amount Expended Current Year</u>
Resolution #082592:				
Construction and maintenance of sanitary landfill	94%	\$ 6,000,000	\$ 5,616,257	
Resolution #071707:				
Water projects	14%	2,500,000	333,221	
Roads and bridges	68%	1,000,000	676,253	
Renovations	59%	750,000	439,634	
Public works	26%	834,328	212,367	
Public safety facilities and equipment	142%	100,000	141,361	
Recreational facilities	30%	500,000	149,185	
Town of Gay	82%	100,638	82,209	
City of Greenville	82%	639,969	521,544	
Town of Lone Oak	82%	70,243	57,458	
City of Luthersville	82%	570,073	464,969	
City of Manchester	82%	2,693,669	2,197,555	
City of Warm Springs	82%	327,590	266,960	
City of Woodbury	82%	799,724	652,372	
Debt service				1,725,604
Total expended for current year				<u>\$ 1,725,604</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Meriwether County, Georgia
Greenville, Georgia 30222

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Meriwether County, Georgia's basic financial statements and have issued our report thereon dated March 24, 2014. Our report includes a reference to other auditors who audited the financial statements of Meriwether County Department of Public Health, as described in our report on Meriwether County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Meriwether County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meriwether County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Meriwether County, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings and responses that we consider to be significant deficiencies, as items 13-1, 13-2, and 13-3.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Meriwether County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

MERIWETHER COUNTY, GEORGIA'S RESPONSE TO FINDINGS

Meriwether County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of audit findings and responses. Meriwether County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Manchester, Georgia
March 24, 2014

AJK

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
September 30, 2013

13-1 Bank reconciliation – Commissioner's Office

Condition and Criteria: Bank reconciliations for the operating and payroll account maintained by the County commissioner's office listed outstanding items that were used for balancing that were not true outstanding items.

Effect: The failure to prepare accurate bank reconciliations for all cash accounts could result in errors or fraud that could be material to the financial statements.

Recommendation: An accurate bank reconciliation for all cash accounts should be prepared and agreed to the general ledger by accounting personnel.

Response: We concur. The recommendation will be implemented immediately.

13-2 Segregation of Duties

Condition and Criteria: Due to the small size of the County's staff and constitutional officers' staff, controls are not practical to provide adequate segregation of duties in the cash receipts and cash disbursements functions. Management should implement other internal controls in areas where segregation of duties are not practical.

Effect: Failure to implement offsetting controls in the cash receipts and disbursements functions could result in unauthorized or fraudulent transactions.

Recommendation: We recommend the County implement other internal controls in areas where segregation of duties is not practical

Response: We concur. We will continue requiring dual signatures on all checks. We will implement off setting controls when practical and cost effective.

13-3 Controls Over Financial Statement Preparation

Condition and Criteria: County personnel do not currently possess the skills necessary to prepare the financial statements and related footnote disclosure in accordance with generally accepted accounting principles. This could result in the omission of a material financial statement element or disclosure that might not be detected by management.

Effect: The deficiency identified above could result in a material misstatement to the County's financial statements that would not be prevented or detected on a timely basis.

Recommendation: The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Response: We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.